

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1588

ANSWERED ON:09.03.2007

PENDING CASES OF IT REFUND

Barad Shri Jashubhai Dhanabhai;Deora Shri Milind Murl;Kumar Shri Shailendra;Prabhu Shri Suresh Prabhakar

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases of income tax refund for the last two assessment years pending with the Income Tax Department, region-wise;
- (b) the reasons for the pendency; and
- (c) the steps taken by the Government for making timely refund to the assesseees?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Sir, raising of demand or granting of refund to an assessee consequent to assessment in accordance with the statutory provisions of the Income Tax Act, 1961 is a continuous process of the Income Tax Department. Data in respect of pending number of refund bearing returns are not maintained separately.

(b) Normally returns are processed within four months and refunds are issued. However, some delay is caused due to shortage of manpower. In some cases verification of taxes paid or deducted is required causing delay in issuing of refund till verification process is over.

(c) Some of the steps taken by the Department to ensure timely refund to the assesseees are -

(i) Computerized processing of returns has been introduced to ensure timely issue of refunds.

(ii) Guidelines have been issued by CBDT to process all returns and issue refunds within four months of filing of returns.

(iii) Income Tax Department is in the process of increasing manpower.

(iv) The dematerialization of TDS certificates is already under process and verification will be done electronically.

(v) Electronic Clearing System (ECS) has already been introduced in 25 major cities to directly credit the refunds into the bank account of taxpayer.

(vi) Refund Banker Scheme has been introduced to facilitate taxpayers to get timely receipt of refund.